

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
ST. JOSEPH DIVISION

UNITED STATES OF AMERICA	)	No. _____
)	
Plaintiff,	)	COUNT ONE:
	)	18 U.S.C. § 371
v.	)	NMT 5 Years Imprisonment
	)	\$250,000 Fine or twice the
MICHAEL R. JOHNS,	)	financial gain
[DOB: 08/23/52]	)	3 Years Supervised Release
	)	Class D Felony
and)	
	)	COUNTS TWO THROUGH FOURTEEN:
DENISE K. STOTTLEMYRE,	)	18 U.S.C. § 666
[DOB: 08/24/52]	)	NMT 10 Years Imprisonment,
	)	\$250,000 Fine or twice the
Defendants.	)	financial gain
	)	3 Years Supervised Release
	)	Class C Felony
)	
	)	COUNTS FIFTEEN THROUGH NINETEEN:
JOHNS: Cts. 1-19	)	18 U.S.C. § 1001
STOTTLEMYRE: Cts. 1,6-8,	)	NMT 5 Years Imprisonment
9-14, 19	)	\$250,000 Fine
	)	3 Years Supervised Release
	)	Class D Felony
)	
	)	\$100 Special Assessment
	)	Order of Restitution

I N D I C T M E N T

COUNT ONE

At all times material to this Indictment:

1. Green Hills Regional Planning Commission (Green Hills RPC), which was created in 1965 and served eleven counties in northern Missouri, received funds from a number of federal agencies to promote economic development in those eleven counties.

2. Green Hills Rural Development, Inc. (Green Hills RDI) was a separate not-for-profit corporation created by Green Hills Regional Planning Commission in 1981 to receive federal grant funds to promote rural economic development in the eleven county area in northern Missouri.

3. Defendant MICHAEL R. JOHNS, was the Executive Director of Green Hills Regional Planning Commission.

4. Defendant DENISE K. STOTTLEMYRE, was the Community Planner and later assumed the unofficial title of Assistant Director of Green Hills Regional Planning Commission.

5. Green Hills Regional Planning Commission provided the staff for Green Hills Rural Development, Inc., and Defendants JOHNS and STOTTLEMYRE both performed duties for both entities. JOHNS was the Executive Vice-President of Green Hills Rural Development Inc. STOTTLEMYRE was not an officer of Green Hills Rural Development, Inc., but worked on grant applications for Green Hills RDI. JOHNS and STOTTLEMYRE received salaries from Green Hills Regional Planning Commission.

6. Green Hills RDI received funds from a number of federal agencies, including the following:

(a) Green Hills RDI administered a Revolving Loan Fund (RLF) including funds from the Economic Development Administration of the United States Department of Commerce. The purpose of the Revolving Loan Fund was to provide a loan pool for

loans to finance business development in the area served by Green Hills RDI. These loans were subject to the rules, regulations, and restrictions imposed by the Economic Development Administration.

(b) Green Hills RDI also received funds from the United States Department of Housing and Urban Development (HUD), Small Business Administration (SBA), United States Department of Labor (DOL), and United States Department of Agriculture (USDA).

8. In each of the years beginning in 1994 through 2002, Green Hills RDI received over \$10,000 per year in funds from the various federal agencies referred to in this Indictment.

9. Between on or about January 1, 1994 and November 30, 2002, at Trenton, in the Western District of Missouri, and elsewhere, Defendants MICHAEL R. JOHNS and DENISE K. STOTTLEMYRE, did knowingly and willfully combine, conspire, confederate, and agree to commit offenses against the United States, that is:

(a) Knowingly committing federal program fraud, in that Defendants JOHNS and STOTTLEMYRE, as agents of Green Hills RDI, which received benefits under Federal programs involving grants from the Economic Development Administration (EDA), United States Department of Commerce, and other federal agencies, in excess of \$10,000 in each of the fiscal years between 1994 and 2002, obtained by fraud and otherwise without authority converted to their own and the use of others, money in excess of \$5,000 per

year, that is, (1) unauthorized wage payments received by both JOHNS and STOTTLEMYRE from Green Hills RDI and (2) the proceeds of unauthorized and undocumented loans by Green Hills RDI, including loans which benefitted companies operated and controlled by Defendant JOHNS and STOTTLEMYRE; all in violation of Title 18, United States Code, Section 666(a)(1)(A);

(b) Knowingly and willfully using false documents in a matter within the jurisdiction of the Government of the United States, in that Defendants JOHNS and STOTTLEMYRE, in order to cover up their receipt of unauthorized wages and loan proceeds, did knowingly and willfully make and use, and cause to be made and used, false documents, including but not limited to, (1) false and fraudulent employment contracts purporting to be signed by the Green Hills Board of Directors President relating to the unauthorized wages received by JOHNS and STOTTLEMYRE; and (2) false certifications on annual reports of Green Hills RDI that loans of federal funds had been made in accordance with the requirements of the Economic Development Administration, United States Department of Commerce; all in violation of Title 18, United States Code, Section 1001.

A. Unauthorized Wage Payments.

10. It was a part of the conspiracy, which involved a scheme to defraud Green Hills RDI, the Economic Development Administration, and other federal agencies providing funds to

Green Hills RDI, that Defendant JOHNS knowingly received unauthorized wages, that is, wage payments from the Green Hills RDI General Fund which had not been authorized or approved by the Green Hills RDI Board of Directors, in the following amounts for the following years: (a) 1994 - \$52,800; (b) 1995 - \$55,700; (c) 1996 - \$54,500; (d) 1997 - \$30,250; (e) 1998 - \$27,500; (f) 1999 - \$30,350; (g) 2000 - \$32,900; (h) 2001 - \$33,350; and (i) 2002 - \$36,000, for a total during this time period of \$353,355.

The foregoing unauthorized wages paid by Green Hills RDI were in addition to the regular salary payments received by defendant JOHNS from Green Hills Regional Planning Commission.

11. It was a further part of the conspiracy, and scheme to defraud, that defendant STOTTLEMYRE knowingly received unauthorized wages, that is, wage payments which had not been authorized or approved by the Green Hills RDI Board of Directors, in the following amounts for the following years: (a) 1994 - \$5,125; (b) 1995 - \$4,350; (c) 1996 - \$5,900; (d) 1997 - \$3,250; (e) 1998 - \$7,500; (f) 1999 - \$5,000; (g) 2000 - \$5,100; (h) 2001 - \$3,950; and (i) 2002 - \$6,000, for a total during this time period of \$46,175. The foregoing unauthorized wages paid by Green Hills RDI were in addition to the regular salary payments received by defendant STOTTLEMYRE from Green Hills Regional Planning Commission.

12. It was a further part of the conspiracy, and scheme to defraud, that Defendants JOHNS and STOTTLEMYRE used and caused to be used a facsimile signature stamp of the Secretary-Treasurer of the Board of Directors of Green Hills RDI on all the unauthorized wage checks to Defendants JOHNS and STOTTLEMYRE. The Green Hills RDI Board of Directors had a policy requiring two signatures on all checks to ensure that two officers or employees were involved with the making of checks on behalf of Green Hills RDI. The defendants used and caused to be used the facsimile signature stamp on the unauthorized wage checks without the knowledge or consent of the Secretary-Treasurer of the Board of Directors and without the knowledge or consent of the Board of Directors itself.

13. It was a further part of the conspiracy, and scheme to defraud, that Defendants JOHNS and STOTTLEMYRE, in order to conceal the unauthorized wages paid to them, submitted and caused to be submitted false and fraudulent employment contracts for the years 1996, 1997, 1998, and 1999, containing the forged signature of the President of the Green Hills RDI Board of Directors to an auditor performing the 1999 annual Independent Audit Report for Green Hills RDI, which was submitted on October 31, 2001, as required by the Economic Development Administration, United States Department of Commerce.

14. It was a further part of the conspiracy, and scheme to defraud, that between 1994 and 1998, Defendants JOHNS and STOTTLEMYRE used and caused to be used funds from a special purpose grant of \$400,000 entitled Access 2000 from the Department of Housing and Urban Development (HUD), which grant was supposed to be used for training individuals in entrepreneurial skills, not for wages of employees of Green Hills RDI. Of the \$400,000 in Access 2000 grant money, approximately \$240,000 was used for the unauthorized wages to JOHNS and STOTTLEMYRE. In order to support payments from the Access 2000 special purpose grant funds, Defendant JOHNS submitted false and fraudulent time sheets representing that he was entitled to the Access 2000 funds.

B. Unauthorized loans through the Revolving Loan Fund (Economic Development Administration) to CBRA.

15. It was a further part of the conspiracy, and scheme to defraud, that Defendants JOHNS and STOTTLEMYRE knowingly made and caused to be made unauthorized loans from the Revolving Loan Fund, which included funds provided by the Economic Development Administration, to companies operated or controlled by the defendants, Chillicothe-Brunswick Rail Maintenance Authority (CBRA), which operated a 37 mile shortline railroad between Chillicothe and Brunswick, Missouri, and Chillicothe, Sumner & Triplett Railway Company (later renamed CS&T Company, Inc.) (CS&T), a company used by Defendant JOHNS to lease rail equipment

to CBRA. Defendant JOHNS was the Vice-President and Board member of CBRA. JOHNS was the President and sole shareholder of CS&T. Defendant STOTTLEMYRE was the Treasurer and Board member of CBRA. STOTTLEMYRE was the Treasurer of CS&T.

16. It was a further part of the conspiracy, and scheme to defraud, that Defendants JOHNS and STOTTLEMYRE knowingly made and caused to be made unauthorized and undocumented loans from the Revolving Loan Fund provided to Green Hills RDI by the Economic Development Administration without the knowledge, approval, or authorization of the Board of Directors of Green Hills RDI and in violation of the loan limit restrictions of the Economic Development Administration. During the period 1994 to 2002, only one properly authorized loan, which had been approved by the Board for an amount not to exceed \$120,000, was made to CBRA, but Defendants JOHNS and STOTTLEMYRE made and caused to be made additional unauthorized loans to CBRA totaling in excess of \$480,000. As of July, 2003, the balance due from CBRA in connection with the foregoing loans from the Revolving Loan Fund was approximately \$658,796.55.

17. It was a further part of the conspiracy, and scheme to defraud, that Defendants JOHNS and STOTTLEMYRE used and caused to be used a facsimile signature stamp of the Secretary-Treasurer of the Board of Directors of Green Hills RDI on the unauthorized loans from the Revolving Loan Fund to CBRA. The Green Hills RDI

Board of Directors had a policy requiring two signatures on all checks to ensure that two officers or employees were involved with the making of checks on behalf of Green Hills RDI. The defendants used and caused to be used the facsimile signature stamp on the unauthorized loan proceeds checks without the knowledge or consent of the Secretary-Treasurer of the Board of Directors and without the knowledge or consent of the Board of Directors itself.

18. It was a further part of the conspiracy, and scheme to defraud, that between January 1999 and October 2001 Defendants JOHNS and STOTTLEMYRE knowingly made and caused to be made unauthorized loans to CBRA, portions of which were used to make over \$80,000 in payments to CS&T for leases of rail equipment to CBRA, contrary to Economic Development Administration conflict of interest policy and without disclosure of Defendant JOHNS' ownership interest in CS&T.

19. It was a further part of the conspiracy, and scheme to defraud, that Defendant JOHNS knowingly sent to the Economic Development Administration annual certifications falsely certifying that Economic Development Administration policies had been followed, whereas JOHNS knew that the unauthorized and undocumented loans to CBRA and the lease payments to CS&T were contrary to loan limit and conflict of interest policies.

20. It was a further part of the conspiracy, and scheme to defraud, that Defendant JOHNS knowingly caused forged signatures of the President of the Board of Directors of Green Hills RDI to be placed on Board resolutions concerning the annual certifications which were sent to the Economic Development Administration.

C. Unauthorized loans from Green Hills RDI General Fund to CBRA.

21. It was a further part of the conspiracy, and scheme to defraud, that between October 1996 and October 2001, Defendants JOHNS and STOTTLEMYRE made and caused to be made unauthorized and undocumented loans from the Green Hills RDI General Fund totaling \$63,972.04 to CBRA without the authorization or knowledge of the Green Hills RDI Board of Directors in the following years in the following amounts: (a) 1996 - \$12,400; (b) 1997 - \$16,818.60; (c) 1998 - \$4300.00; (d) 1999 - \$21,153.44; and (e) 2001 - \$9,300.00. In January 2002, there was a balance due of \$59,696.04 on these loans.

22. It was a further part of the conspiracy, and scheme to defraud, that Defendants JOHNS and STOTTLEMYRE used and caused to be used a facsimile signature stamp of the Secretary-Treasurer of the Board of Directors of Green Hills RDI on the unauthorized loan checks from Green Hills RDI to CBRA. The Green Hills RDI Board of Directors had a policy requiring two signatures on all checks to ensure that two officers or employees were involved

with the making of checks on behalf of Green Hills RDI. The defendants used and caused to be used the facsimile signature stamp on the unauthorized loan checks to CBRA without the knowledge or consent of the Secretary-Treasurer of the Board of Directors and without the knowledge or consent of the Board of Directors itself.

D. Concealment of the conspiracy.

____23. It was a further part of the conspiracy, and scheme to defraud, that Defendants JOHNS and STOTTLEMYRE concealed and hid their involvement in the conspiracy.

OVERT ACTS

24. In furtherance of the conspiracy, and to effect the objects of the conspiracy, Defendants JOHNS and STOTTLEMYRE did knowingly commit and cause to be committed in the Western District of Missouri, and elsewhere, the following overt acts:

A. Overt Acts relating to unauthorized wages.

1. During the year 1999, Defendant JOHNS caused unauthorized wage payments of approximately \$30,350 to be made to Defendant JOHNS.

2. During the year 2000, Defendant JOHNS caused unauthorized wage payments of approximately \$32,900 to be made to Defendant JOHNS.

3. During the year 2001, Defendant JOHNS caused unauthorized wage payments of approximately \$33,350 to be made to Defendant JOHNS.

4. During the year 2002, Defendant JOHNS caused unauthorized wage payments of approximately \$36,000 to be made to Defendant JOHNS.

5. During the year 1999, Defendants JOHNS and STOTTLEMYRE caused unauthorized wage payments of approximately \$5,000 to be made to Defendant STOTTLEMYRE.

6. During the year 2000, Defendants JOHNS and STOTTLEMYRE caused unauthorized wage payments of approximately \$5,100 to be made to Defendant STOTTLEMYRE.

7. During the year 2001, Defendants JOHNS and STOTTLEMYRE caused unauthorized wage payments of approximately \$3,950 to be made to Defendant STOTTLEMYRE.

8. During the year 2002, Defendants JOHNS and STOTTLEMYRE caused unauthorized wage payments of approximately \$6,000 to be made to Defendant STOTTLEMYRE.

B. Overt Acts relating to unauthorized loans from the Revolving Loan Fund (Economic Development Administration) TO CBRA.

9. In 1993, there was an initial loan from the Revolving Loan Fund authorized and approved by the Green Hills RDI Board to CBRA in an amount not to exceed \$120,000. Thereafter, Defendants JOHNS and STOTTLEMYRE continued to make and cause to

be made unauthorized and undocumented loans to CBRA, which were contrary to the rules and regulations of EDA, in the following years in the following amounts: (a) 1994 - \$61,000.00; (b) 1995 - \$108,073.81; (c) 1996 - \$45,525.00; (d) 1997 - \$150,690.20; (e) 1998 - \$61,953.05; (f) 1999 - \$42,200.00; (g) 2000 - \$26,065.00; (h) 2001 - \$9,649.46; (i) 2001 - \$24,000.

10. On or about the following dates, Defendant JOHNS knowingly submitted false annual reports and certifications to the Economic Development Administration (EDA), Denver, Colorado, falsely certifying that the Revolving Loan Fund program was being managed according to EDA policy, when defendant JOHNS knew that those policies were not being followed with respect to the unauthorized loans to CBRA and when defendant JOHNS knew that the signature of the President of the Board of Directors of Green Hills RDI had been forged on certain Board resolutions relating to these certifications: (a) December 19, 1994; (b) November 4, 1996; (c) October 31, 1997; (d) December 31, 1998; (e) November 29, 1999; (f) November 27, 2000; (g) October 31, 2001; and (h) October 25, 2002.

C. Overt acts relating to unauthorized loans from the Green Hills RDI General Fund to CBRA.

11. In the following years, Defendants JOHNS and STOTTLEMYRE made and caused to be made unauthorized and undocumented loans from the Green Hills RDI General Fund totaling \$63,972.04 to CBRA in the following amounts: (a) 1996 - \$12,400;

(b) 1997 - \$16,818.60; (c) 1998 - \$4300.00; (d) 1999 - \$21,153.44; and (e) 2001 - \$9,300.00.

D. Additional overt acts.

13. The Grand Jury realleges and incorporates by reference the allegations in Counts Two through Nineteen as additional overt acts in furtherance of the conspiracy.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH FIVE

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one (1) through eight (8) and ten (10) through twenty-two (22) of Count One of this Indictment.

2. At all times material to this Indictment, Defendant MICHAEL R. JOHNS was an agent of Green Hills Regional Development, Inc. (Green Hills RDI) within the meaning of Title 18, United States Code, Section 666(d)(1).

3. Green Hills RDI was an organization within the meaning of Title 18, United States Code, Section 666 (d)(2).

4. During each of the calendar years 1999, 2000, 2001, and 2002, Green Hills RDI received benefits in excess of \$10,000 under Federal programs involving grants, contracts, loans and other forms of Federal assistance within the meaning of Title 18, United States Code, Section 666(b).

5. During each of the dates and calendar years described below, at Trenton, in the Western District of Missouri, Defendant MICHAEL R. JOHNS did embezzle, steal and otherwise without authority knowingly convert to his own use and intentionally misapply property valued at \$5,000 or more in each of the years described below, which funds were owned by and under the care, custody, and control of Green Hills RDI in the following approximate amounts, consisting of wage payments to Defendant MICHAEL R. JOHNS which had not been authorized or approved by the Board of Directors of Green Hills RDI:

Count	Dates	Amount of unauthorized wages paid to Johns
Two	January 1,1999 through December 31,1999	\$30,350.00
Three	January 1,2000 through December 31,2000	\$32,900.00
Four	January 1,2001 through December 31,2001	\$33,350.00
Five	January 1,2002 through December 31,2002	\$36,000.00

Each count in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

COUNTS SIX THROUGH EIGHT

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one (1) through eight (8) and ten (10) through twenty-two (22) of Count One of this Indictment.

2. At all times material to this Indictment, Defendants MICHAEL R. JOHNS and DENISE L. STOTTLEMYRE were agents of Green

Hills Rural Development, Inc. (Green Hills RDI), within the meaning of Title 18, United States Code, Section 666(d)(1).

3. Green Hills RDI was an organization within the meaning of Title 18, United States Code, Section 666 (d)(2).

4. During each of the calendar years 1999, 2000, and 2002, Green Hills RDI received benefits in excess of \$10,000 under Federal programs involving grants, contracts, loans and other forms of Federal assistance within the meaning of Title 18, United States Code, Section 666(b).

5. During each of the dates and calendar years described below, at Trenton, in the Western District of Missouri, Defendants MICHAEL R. JOHNS and DENISE L. STOTTLEMYRE did embezzle, steal and otherwise without authority knowingly convert, and cause to be converted, to the use of DENISE L. STOTTLEMYRE and intentionally misapply, and cause to be misapplied, property valued at \$5,000 or more in each of the years described below, which funds were owned by and under the care, custody, and control of Green Hills RDI, in the following approximate amounts, consisting of wage payments to Defendant STOTTLEMYRE which had not been authorized or approved by the Board of Directors of Green Hills RDI, and which Defendant JOHNS caused to be paid to Defendant STOTTLEMYRE in the following amounts:

Count	Dates	Amount of unauthorized wages paid to Stottlemire
Six	January 1,1999 through December 31,1999	\$5,000.00
Seven	January 1,2000 through December 31,2000	\$5,100.00
Eight	January 1,2002 through December 31,2002	\$6,000.00

Each count in violation of Title 18, United States Code, Sections 666(a) (1) (A) and 2.

COUNTS NINE THROUGH TWELVE

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one (1) through eight (8) and ten (10) through twenty-two (22) of Count One of this Indictment.

2. At all times material to this Indictment, Defendants MICHAEL R. JOHNS and DENISE L. STOTTLEMYRE were agents of Green Hills Rural Development, Inc. (Green Hills RDI), within the meaning of Title 18, United States Code, Section 666(d) (1).

3. Green Hills RDI was an organization within the meaning of Title 18, United States Code, Section 666 (d) (2).

4. During each of the calendar years 1999, 2000, 2001, and 2002, Green Hills RDI received benefits in excess of \$10,000 under a Federal program administered by the Economic Development Administration involving grants, contracts, loans and other forms of Federal assistance within the meaning of Title 18, United States Code, Section 666(b).

5. During each of the dates and calendar years described below, at Trenton, in the Western District of Missouri, Defendants MICHAEL R. JOHNS and DENISE L. STOTTLEMYRE did embezzle, steal and otherwise without authority knowingly convert, and cause to be converted, to the use of CBRA and intentionally misapply, and cause to be misapplied, property valued at \$5,000 or more, which funds were owned by and under the care, custody, and control of Green Hills RDI in the following approximate amounts consisting of loans from the Revolving Loan Fund to CBRA which had not been authorized or approved by the Board of Directors of Green Hills RDI:

Count	Dates	Amount of unauthorized loans to CBRA
Nine	January 1,1999 through December 31,1999	\$42,200.00
Ten	January 1,2000 through December 31,2000	\$26,065.00
Eleven	January 1,2001 through December 31,2001	\$ 9,649.46
Twelve	January 1,2002 through December 31,2002	\$24,000.00

Each count in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

COUNTS THIRTEEN AND FOURTEEN

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one (1) through eight (8) and ten (10) through twenty-two (22) of Count One of this Indictment.

2. At all times material to this Indictment, Defendants MICHAEL R. JOHNS and DENISE L. STOTTLEMYRE were agents of Green Hills Rural Development, Inc. (Green Hills RDI), within the meaning of Title 18, United States Code, Section 666(d)(1).

3. Green Hills RDI was an organization within the meaning of Title 18, United States Code, Section 666 (d)(2).

4. During each of the calendar years 1999, 2000, 2001, and 2002, Green Hills RDI received benefits in excess of \$10,000 under Federal programs administered by various Federal agencies, including the Department of Housing and Urban Development (HUD), Small Business Administration (SBA), and United States Department of Labor (DOL), involving grants, contracts, loans and other forms of Federal assistance within the meaning of Title 18, United States Code, Section 666(b).

5. During each of the dates and calendar years described below, at Trenton, in the Western District of Missouri, Defendants MICHAEL R. JOHNS and DENISE L. STOTTLEMYRE did embezzle, steal and otherwise without authority knowingly convert, and cause to be converted, to the use of Chillicothe Brunswick Rail Maintenance Authority (CBRA) in the following approximate amounts, consisting of unauthorized and undocumented loans from the Green Hills RDI General Fund to CBRA:

Count	Dates	Amount of unauthorized loans to CBRA
Thirteen	January 1, 1999 through December 31, 1999	\$21,153.44
Fourteen	January 1, 2001 through December 31, 2001	\$ 9,300.00

Each count in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

COUNTS FIFTEEN THROUGH EIGHTEEN

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one (1) through eight (8) and ten (10) through twenty-two (22) of Count One of this Indictment.

2. On or about the dates listed below, at Trenton, in the Western District of Missouri, in a matter within the jurisdiction of the executive branch of the Government of the United States, the Economic Development Administration, United States Department of Commerce, Defendant MICHAEL R. JOHNS did knowingly and willfully make and use and cause to be made and use false documents, entitled "Annual Report for EDA Revolving Loan Grant" Defendant JOHNS knowing that the documents contained materially false statements, including (a) Defendant JOHNS' certification that the information provided in the Annual Report was true and correct; and (b) the statement in the Board of Directors' resolution relating to the Annual Report stating that the "revolving loan portfolio is being managed and operated in a

manner consistent with the policies and procedures contained in the Revolving Loan Fund Plan, and the portfolio does meet the standards set forth therein," in that, as Defendant JOHNS knew: (1) the loans made to CBRA under the Revolving Loan Fund had not been authorized or approved by the Board of Directors of Green Hills RDI, (2) loans to CBRA exceeded the loan limit policies of the Revolving Loan Fund; and (3) certain of the loans to CBRA violated the conflict of interest regulations of Economic Development Administration because some of the proceeds of these loans were for the use and benefit of CS&T, a company in which defendant JOHNS had a financial interest:

Count	Date	Description of documents
Fifteen	11/29/99	1999 Annual Report for EDA Revolving Loan Grant and Board Resolution
Sixteen	11/27/00	2000 Annual Report for EDA Revolving Loan Grant and Board Resolution
Seventeen	10/31/01	2001 Annual Report for EDA Revolving Loan Grant and Board Resolution
Eighteen	10/25/02	2002 Annual Report for EDA Revolving Loan Grant and Certification

Each count in violation of Title 18, United States Code, Section 1001.

COUNT NINETEEN

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one (1) through eight (8) and ten (10) through twenty-two (22) of Count One of this Indictment.

2. On or before March 21, 2000, at Trenton, in the Western District of Missouri, and elsewhere, in a matter within the jurisdiction of the executive branch of the Government of the United States, the Economic Development Administration, United States Department of Commerce, Defendants MICHAEL R. JOHNS and DENISE K. STOTTLEMYRE did knowingly and willfully make and use, and cause to be made and used, false documents consisting of employment contracts for Defendants JOHNS and STOTTLEMYRE for the years 1996 through 1999 submitted to the auditor preparing the 1999 Independent Audit Report for Green Hills RDI, which report was required to be submitted to the Economic Development Administration, Defendants JOHNS and STOTTLEMYRE knowing that the employment contracts contained materially false and fraudulent statements and representations that the President of the Board of Directors of Green Hills RDI, had signed the employment contracts and approved the additional wages for those years, whereas, as Defendants JOHNS and STOTTLEMYRE knew, the President of the Board of Directors had not signed the employment contracts or approved the additional wages;

All in violation of Title 18, United States Code, Sections 1001 and 2.

NOTICE OF SPECIAL FINDINGS

The allegations contained in Counts One through Nineteen of this Indictment are realleged and are incorporated by reference

herein for the purpose of putting Defendants, MICHAEL R. JOHNS and DENISE K. STOTTLEMYRE, on notice of Special Findings found to exist as to their participation in the alleged offenses described in the indictment and in related conduct:

A. As to both defendants, the amount of loss for determining the sentencing range: The total loss is more than \$400,000 but less than \$1,000,000, under 18 U.S.C. § 2B1.1(b)(1), United States Sentencing Guidelines.;

B. As to Defendant JOHNS, the defendant was an organizer and leader of criminal activity under 18 U.S.C. § 3B1.1 United States Sentencing Guidelines.;

C. As to both defendants, the defendants abused positions of trust under § 3B1.3, United States Sentencing Guidelines.

A TRUE BILL:

Foreperson of the Grand Jury

J. Daniel Stewart
Assistant United States Attorney

Date: _____